TITLE SHEET

ORIGINAL

TELECOMMUNICATIONS SERVICES

This tariff applies to the Telecommunications Services furnished by McLeodUSA Telecommunications Services, Inc. ("Carrier") between one or more points in the State of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may be inspected, during normal business hours, at Carrier's principal place of business, 6400 C Street SW, Cedar Rapids, Iowa 52406.

APPROVED FOR FILING

DECISION #: 62627



CHECK SHEET

The sheets of this tariff are effective as of the date shown at the bottom of the respective sheets. Original and revised sheets as named below comprise all changes from the original tariff that are currently in effect as of the date at the bottom of this sheet.

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1	21st Revised*	1st Revised	62	1st Revised	
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3	Original	34	Original	63.1-63.7	Original
4	Original	35	Original	64	2 nd Revised
5	Original	36	Original	64.1	2 nd Revised
6	Original	37	Original	65	1st Revised
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8	4th Revised	39	Original	67	1st Revised
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10	Original	41	Original	69 1 st Revise	
11	Original	42	Original	70	1st Revised
12	Original	43	Original	71	2 nd Revised
13	Original	44	1st Revised	71.1 Original	
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28	1st Revised	59	5th Revised*		
29	Original	59.1	1st Revised*		
29.1	Original	59.2	Original*		v or revised sheet
30	Original	60	1st Revised	submitted with	this filing.
31	1 st Revised	61	1st Revised		

Issued: August 16, 2002 Effective: September 16, 2002

By: David R. Conn
Deputy General Counsel, McLeodUSA
6400 C Street SW
Cedar Rapids, IA 52404

* Indicates new or revised sheet submitted with this filing.

CONCURRING CARRIERS

Access Communications, Inc. SJ Investments, Inc. d/b/a Access Long Distance

CONNECTING CARRIERS

WilTel, Inc.

OTHER PARTICIPATING CARRIERS

None

APPROVED FOR FILING

DECISION #: baba7

TARIFF FORMAT



Sheet Numbering. Sheet numbers appear in the upper right hand comer of the sheets. Sheets are numbered sequentially. From time to time new sheets may be added to the tariff. When a new sheet is added between existing sheets, a decimal is added to the preceding sheet number. For example, a new sheet added between sheets 5 and 6 would be numbered 5.1.

<u>Sheet Revision Numbers</u>. Revision numbers also appear in the upper right comer of sheets. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th Revised Sheet No. 14 cancels the 3rd Revised Sheet No. 14.

Paragraph Numbering Sequence. There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level, as shown by the following example:

2 2.1 2.1.1 2.1.1.A 2.1.1.A.1 2.1.1.A.1.(a) 2.1.1 .A. 1 .(a).I 2.1.1.A.1.(a).I.(i) 2.1.1.A.1.(a).I.(i).(1)

C h e c k . When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a crossreference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current one on rile with the Commission.

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TARIFF FORMAT (Cont'd)



<u>Explanation of Symbols</u>. When changes are made in any tariff sheet, a revised sheet will be issued replacing the tariff sheet affected. Changes will be identified on the revised sheet through the use of the following symbols:

- (C) Identifies a changed regulation.
- (D) Identifies a discontinued rate or regulation.
- (I) Identifies an increase in rate.
- (N) Identifies a new rate or regulation.
- (R) Identifies a reduction in rate.
- (T) Identifies a change in text only.

APPROVED FOR FILING

DECISION #: 62627

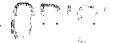


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By: David R. Conn
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Fourth Revised Page No. 8 Replaces Third Revised Page No. 8

ORIGINAL

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Issued: June 14, 2002

By: David R. Conn
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By: David R. Conn
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APPROVED FOR FILING

DECISION #:62627

0.0 Application and Scope of Tariff

0.1 Application

This tariff contains the rates and regulations applicable to telecommunications services provided by McLeodUSA between and among points within the State of Arizona.

0.2 Scope

McLeodUSA's services are provided subject to the availability of facilities and subject to the terms and conditions of this tariff. All services within the jurisdiction of the Commission provided by McLeodUSA between and among points in Arizona are governed by this tariff.

0.3 Interconnection with Other Carriers

Service provided by McLeodUSA may be connected with services or facilities of other carriers or may be provided over facilities provided by carriers other than McLeodUSA. However, service provided by McLeodUSA is not a part of a joint undertaking with any other carrier providing telecommunications channels, facilities, or services.

APPROVED FOR FILING

DECISION #: 62627

1.0 Explanation of Terms and Abbreviations

1.1 Definitions of Terms

Advanced In-Only Trunk with DID and Hunting

In only trunk with Direct-Inward-Dialing (DID) feature. Requires a DID trunk circuit termination.

Advanced Out-Only Trunk with Answer Supervision

Out-only trunk with supervision feature. This feature passes answer back signaling from the central office switch to the customer's PBX when a PBX call has been either completed or answered.

Advanced Two-Wav Trunk with DID, Hunting and Answer Supervision

Two-way trunk with DID and answer supervision features. Requires a DID trunk circuit termination.

Basic In-Only

One-way trunk which allows traffic from the central office switch to be transmitted to the PBX.

Basic Out-Only

One-way trunk which only allows traffic originating in the PBX to be transmitted to the central office switch.

Basic Two-Way

Trunk which allows traffic originating in the PBX to be transmitted to the central office switch.

Commission

The Arizona Corporation Commission.

Calls

Telephone messages completed by Customers.

APPROVED FOR FILING

DECISION #: 62627

1.0 Explanation of Terms and Abbreviations (cont'd)

1.1 <u>Definitions of Terms</u> (cont'd)

Charges

Monthly recurring and nonrecurring amounts billed to Customers for services.

Customer

Any person, firm, association, corporation, agency of the federal, state, or local government, or legal entity responsible by law for payment of rates and charges and for compliance with the regulations of McLeodUSA.

Customer Contract

A written agreement between the Customer and McLeodUSA containing or referring to the rates and regulations applicable to the service being provided.

<u>Customer Premises Equipment</u>

All terminal equipment normally used on the Customer's premises. This equipment may be Customer-owned, or may be owned by McLeodUSA or another supplier and leased to the Customer.

Delinquent or Delinquency

An account for which an uncontested bill or payment agreement for regulated services has not been paid in full on or before the last day for timely payment. This term may also apply to a contested bill for which the Commission finds the Customer's complaint to be without merit.

Direct inward dialing (DID)

Special trunking arrangement which permits incoming calls from the exchange network to reach a specific PBX station directly without an attendant's assistance.

Disconnect or Disconnection

The disabling of circuitry to prevent outgoing and/or incoming calls.

APPROVED FOR FILING

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1.0 <u>Explanation of Terms and Abbreviations</u> (cont'd)

1.1 <u>Definitions of Terms</u> (cont'd)

Due Date

The last day for payment of a bill without unpaid amounts being considered delinquent or subject to additional collection efforts. The due date may be designated by "due by," "pay by," "if paid by," or other such language on the Customer's bill.

Exchange

A unit established for the administration of local communication services.

Exchange Service

A local communications service furnished by means of local exchange plant and facilities.

Extended Area Service or EAS

Telephone service, offered at a flat local rate, between customers located within an exchange area and all customers in an additional exchange area or areas.

(D)

Individual Case Basis

The application of a rate, charge, or condition of the tariff as determined by individual circumstances.

Inside Station Wiring or Inside Wiring

Wiring on the premises beyond the demarcation point.

ADMINISTRATIVELY

APPROVED FOR FILING

Issued: October 25, 2000 Effective: November 25, 2000

By: William P. Heaston

Associate General Counsel, McLeodUSA 5 100 South McLeod Lane Sioux Falls, SD 57108

1.0 Explanation of Terms and Abbreviations (cont'd)

1.1 <u>Definitions of Terms</u> (cont'd)

IntraLATA Service

The completion of calls between points within the boundaries of a Local Access Transportation Area.

Interexchange Service

The provision of intrastate telecommunications services and facilities between local exchanges, excluding EAS.

InterLATA Service

The completion of calls between Local Access Transportation Areas.

Local Access Transportation Area or LATA

A geographic area within which Bell Operating Companies are permitted to offer interexchange service. These areas were established as a result of the break-up of the former Bell System.

Local Exchange Utility or Local Utility

A telephone utility that provides local service under a tariff filed with the Commission. The utility may also provide other services and facilities.

Local Service

Telephone service furnished between points located within an area where there is no toll charge.

McLeodUSA

McLeodUSA Telecommunications Services, Inc.

APPROVED FOR FILING

DECISION #: 62627

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1.0 Explanation of Terms and Abbreviations (cont'd)

1.1 <u>Definitions of Terms</u> (cont'd)

Message

A telephone call made by a Customer.

Month

For billing purposes, a month is considered to have thirty (30) days.

Number of Digits sent

The number of digits of the telephone number sent from the Central Office to the telephone system for interpretation and routing to the end user. Typically a function of DID.

Public Safety Answering Point

A communications facility operated on a hventy-four (24) hour basis and serving participating jurisdictions that initially receives 911 calls and either directly dispatches emergency response services or relays the calls to the appropriate public safety agency.

Rates

The usage amounts billed to customers for telecommunications services and/or equipment.

Re-routing of numbers

Provides the option of re-directing telephone numbers from one T1 facility to another or from other local lines to the T1 facility. Typically utilized with DID trunking service.

Signaling

Represents the type of signaling format utilized to maintain a T1 level digital transmission from the Central Office to the customer premise. Signaling options include: AMI, ESF, SF, B8ZF.

Suspend or Suspension

To disconnect or impair a service temporarily in order to disable either outgoing or incoming calls or both.

APPROVED FOR FILING

1.0 Explanation of Terms and Abbreviations (cont'd)

Issued: May 26, 2000 Effective: June 25, 2000

By: William P. Heaston

McLeodUSA Telecommunications Services, Inc.
5 100 South McLeod Lane
Sioux Falls, SD 57108

1.1 <u>Definitions of Terms</u> (cont'd)

T1- Advanced

Includes In-Only Trunk with DID and Hunting, Out-Only Trunk with Answer Supervision or Two-Way Trunk with DID, Hunting and Answer Supervision.

T1 Basic or Combo

Includes In-Only Trunk, Out-Only Trunk or Two-Way Trunk. Combo is a combination of Basic and Advanced.

Timely Payment

A payment of the Customer's account made on or before the due date shown on a current bill for rates and charges or by an agreement between the Customer and McLeodUSA for a series of partial payments to settle a delinquent account.

10XXX Access

A dialing method that enables a Customer to reach the long distance carrier of the Customer's choice even if the Customer is not a regular customer of that long distance carrier. For example, to reach AT&T Communications of the Midwest, Inc., the Customer dials "10288."

APPROVED FOR FILING

DECISION #: 62627

ORIGINAL

1.0 Explanation of Terms and Abbreviations (cont'd)

1.2 Explanation of Acronyms and Trade Names

AT&T = AT&T Communications of the Midwest, Inc.

BOC = Bell Operating Company

DA = Directory Assistance

EAS = Extended Area Service

FCC = Federal Communications Commission

LATA = Local Access Transport Area

MCI = MCIWorldCom Incorporated

NPA = Numbering Plan Area, more commonly known as Area Code

PIC = Primary Interexchange Carrier

(N)

SNI = Standard Network Interface

Sprint = Sprint Communications Company, L.P.

Access = Access Communications, Inc. d/b/a Access Long Distance

Issued: January 30, 2001 Effective: March 1, 2001

By: William P. Heaston

Associate General Counsel, McLeodUSA 5 100 South McLeod Lane Sioux Falls, SD 57108

2.0 General Rules and Regulations

2.1 Undertaking of Carrier

2.1.1 General

Pursuant to this tariff, McLeodUSA undertakes to provide within the State of Arizona basic local, T-l local, private line, intrastate interLATA and intraLATA interexchange services more fully described in Section 3.0. Service will be provided in the areas in which McLeodUSA has authority to operate.

2.1.2 Limitations

- (A) Service is offered subject to the availability of the necessary facilities and equipment and subject to the provisions of this tariff in compliance with limitations set forth in the Commission's rules.
- (B) Carrier reserves the right to discontinue service when the Customer is using the service in violation of the provisions of this tariff, signed contract, or the law, with notice as required by the rules of the Commission.
- (C) Carrier does not undertake to transmit messages, but offers the use of its facilities, when available, for that purpose.

2.2 Use

2.2.1 Lawful Purpose

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of the service.

APPROVED FOR FILING

DECISION #: 62627

(N)(T)

2.2 Use (cont'd)

2.2.2 <u>Use of Service for Unlawful and/or Fraudulent Purposes</u>

Carrier's services are provided subject to the condition that they will not be used for any unlawful and/or fraudulent purpose. Services will not be furnished if any law enforcement agency, acting within its jurisdiction, advises Carrier that such services are being used or are likely to be used in violation of the law and/or in a fraudulent manner. If Carrier receives other evidence giving reasonable cause to believe that such services are being used or are likely to be used for unlawful and/or fraudulent purposes, it may either discontinue or deny the services and/or refer the matter to the appropriate law enforcement agency in accordance with law and/or Commission rules.

2.2.3 Unauthorized Use

Any individual who uses or receives Carrier's services other than under the provisions of an accepted application for service and a current Customer relationship shall be liable for the appropriate rates and charges for the service received and for Carrier's costs of investigation and collection.

2.2.4 Recording Devices

Carrier's services are not designed for the use of recording devices, and customers who use such devices to record two-way telephone conversations do so at their own risk.

2.2.5 Use of Service Mark

No Customer shall use any service mark or trademark of Carrier or refer to Carrier in connection with any product, equipment promotion, or publication of the Customer without the prior written consent of Carrier.

(N)(T)

Issued: June 25, 2002 Effective: July 25, 2002

By: David R. Conn Deputy General Counsel, McLeodUSA 6400 C Street SW Cedar Rapids, IA 52404



2.3 <u>Liability</u>

Except for granting credit allowances for interruptions of service as provided in the last paragraph of this section, Carrier shall not be liable for any claim or loss, expense or damage, for any failure of performance due to failure or malfunction of Customer-supplied equipment, acts of God, storms, fires, floods or other catastrophes, power failure, natural emergencies, insurrections, riots or wars, or any law, order, regulation, or other action of any governmental authority or agency thereof.

Carrier shall not be liable for, and shall be fully indemnified and held harmless by, Customers against any claim or loss, expense or damage, for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name, service mark, or proprietary or creative right, or any other injury to any person, property, or entity arising out of the material, data, or information transmitted.

No agent or employee of any other carrier shall be deemed to be an agent or employee of Carrier.

Carrier's liability due to any failure of the transmission shall not exceed an amount equal to the charges provided for by the applicable tariff (for regulated services) and applicable price list, catalogue, and/or contract (for all other services) for the call.

Carrier shall not be liable for damages arising out of the use of Carrier's services for the transmission of anything other than voice grade service.

McLeod's liability, if any, for its willful misconduct is not limited by this Tariff. With (N) respect to any other claim or suit, by a customer or by any others, for damages associated with the installation, provision, preemption, termination, maintenance, repair, or restoration of service. McLeod's liability, if any, shall not exceed an amount equal to the proportionate part of the monthly recurring charge for the service for the period during which the service was affected. This liability shall be in addition to any amounts that may otherwise be due the customer under this Tariff as an allowance for interruptions. (N)

Issued: August 22, 2000 Effective: September 24, 2000

By: William P. Heaston

Associate General Counsel, McLeodUSA 5 100 South McLeod Lane Sioux Falls, SD 57108

McLeodUSA Telecommunications Services, Inc.

DRIGINAL

Tariff Arizona C.C. No. 2 Second Revised Page No. 21 Cancels First Revised Page No. 21

2.0 General Rules and Regulations (cont'd)

2.3 <u>Liability</u> (cont'd)

The services furnished by McLeod, in addition to the limitations set forth preceding, also are subject to the following limitation: The Company shall not be liable for damage arising **out of** our mistakes, omissions, interruptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the service of McLeod caused by customer provided equipment (except where a contributing cause is the malfunctioning of a McLeod-provided connecting arrangement, in which event the liability of the Company shall not exceed an amount equal to a proportional amount of the McLeod billing for the period of service during which such mistake, omission, interruption, delay, error, defect in transmission or injury occurs).

Notwithstanding anything to the contrary in this section, if Carrier's service is interrupted and remains out of service for more than twenty-four (24) hours after the earlier of being reported to Carrier or being found by Carrier to be out of order, and if the interruption is not the result of a negligent or willful act by the Customer, a malfunction of Customer-owned equipment, Carrier's inability to gain access to the Customer's premises, or causes beyond McLeodUSA's control as described in the first paragraph of this section, Carrier will make appropriate adjustments upon request. Such adjustments, in the form of direct payments or bill credits, will be the proportionate part of the monthly change for all services and facilities rendered inoperative during the interruption, beginning with the hour of the report to Carrier, or discovery by Carrier, of the interruption. Carrier shall not be liable to customer for any incidental, indirect, special, or consequential damages of any kind including but not limited to any loss of use, loss of business, or loss of profit.

McLeodUSA will provide a customer's correct name and telephone number to a calling party either upon request to or interception by McLeodUSA in the event there is an error or omission in the customer's directory listing. McLeodUSA's liability for any errors or omissions in any directory listings is limited to the charges made for the listing itself. McLeodUSA shall not be liable to customers or others for any incidental, indirect, special or consequential damages of any kind, including loss of use, loss of business, or loss of profit, arising from errors or omissions in directory listings.

Issued: June 25, 2000 Effective: July 25, 2001

By: David R. Conn
Deputy General Counsel, McLeodUSA
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Cedar Rapids, IA 52404

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2.3 <u>Liability</u> (cont'd)

Notwithstanding anything to the contrary in this section, if Carrier's service is interrupted and remains out of service for more than twentyfour (24) hours after the earlier of being reported to Carrier or being found by Carrier to be out of order, and if the interruption is not the result of a negligent or willful act by the Customer, a malfunction of Customer-owned equipment, Carrier's inability to gain access to the Customer's premises, or causes beyond McLeodUSA's control as described in the first paragraph of this section, Carrier will make appropriate adjustments upon request. Such adjustments, in the form of direct payments or bill credits, will be the proportionate part of the monthly change for all services and facilities rendered inoperative during the interruption, beginning with the hour of the report to Carrier, or discovery by Carrier, of the interruption. Carrier shall not be liable to customer for any incidental, indirect, special, or consequential damages of any kind including but not limited to any loss of use, loss of business, or loss of profit.

McLeodUSA will provide a customer's correct name and telephone number to a calling party either upon request to or interception by McLeodUSA in the event there is an error or omission in the customer's directory listing. McLeodUSA's liability for any errors or omissions in any directory listings is limited to the charges made for the listing itself. McLeodUSA shall not be liable to customers or others for any incidental, indirect, special or consequential damages of any kind, including loss of use, loss of business, or loss of profit, arising from errors or omissions in directory listings.

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DECISION #: 62627

Issued: May 26, 2000 Effective: June 25, 2000

By: William P. Heaston

McLeodUSA Telecommunications Services, Inc.
5 100 South McLeod Lane
Sioux Falls, SD 57108

2 . 4 Equipment

2.4.1 Inspection, Testing, and Adjustment

Carrier may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the requirements of this tariff are being complied with in the installation, operation, or maintenance of the Customer's equipment. Carrier may interrupt the service at any time, without penalty to itself, unless interruption exceeds twenty-four (24) hours.

2.4.2 Interference

The operating characteristics of Customer premises equipment or communications systems connected to Carrier's services must not interfere with, or impair, any of the services offered by Carrier. Additionally, connected Customer premises equipment must not endanger the safety of Carrier employees or the public, damage or interfere with the proper functioning of Carrier's equipment, or otherwise injure the public in its use of Carrier's services.

2.4.3 Maintenance and Repair

2.4.3.A Customer Liability

The Customer shall be responsible for damages to Carrier's facilities used in the provision of regulated services caused by the negligence or willful act of the Customer or those using McLeodUSA's service through the Customer. The Customer may not physically modify or intrude upon, rearrange, disconnect, remove, or attempt to repair any of Carrier's facilities except upon written consent of Carrier.

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DECISION #: 42627

2.4 Equipment (cont'd)

2.4.3.B Leased or Owned

The Customer's obligation to Carrier is the same whether the facilities involved are Carrier's facilities or are facilities leased by McLeodUSA from another party. If Carrier incurs expenses due to the Customer's actions that result in damage or impairment of Carrier's owned or leased facilities, Carrier will pass on to the Customer any and all expenses to repair Carrier's facilities or that the owner imposes on Carrier for leased facilities.

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DECISION #: 62627

2.5 Contract for Service

Service is installed upon contractual agreement between a Customer and Carrier. The contractual agreement specifies the terms and conditions of service not covered by this tariff. The contract does not alter the obligations of Carrier to Customers as described in this tariff. The term of the services shall commence and will remain in effect from the service activation date specified in the contract for the term of the contract. Should Carrier continue to provide service after the initial term without further agreement, the service shall continue under the terms of the then applicable tariff on a month-to-month basis. A contract may, however, provide for the renewal of the contract for a period similar to its existing term, if the Customer does not advise Carrier that the Customer desires to terminate the contract by a reasonable time prior to its expiration date.

2.6 Application for Service

2.6.1 Information

When applying for service, each prospective Customer will be required to furnish Carrier with the following information:

- (A) The name of the party who will be responsible for payment for the service provided.
- (B) The address or addresses or exact location of the premises where service is to be provided <u>and</u> billed.
- (C) Any information required to make a proper determination of appropriate creditworthiness.

2.6.2 <u>Initiation of Service</u>

Service shall be deemed to be initiated upon the service activation date specified in the Customer contract AFPROVED FOR FILING

2.0 General Rules and Regulations (cont'd)

DECISION #: 62627

2 . 7 Deposits

2.7.1 Deposit Requirements

McLeodUSA may require from any Customer or prospective Customer a deposit to be held as a guarantee for the payment of charges. Any applicant who is either not a previous Customer having an established prompt payment record or whose credit record is not satisfactory may be required to pay a deposit. In its calculation of a Customer's creditworthiness, McLeodUSA will use trading banking references, credit reports, and any other information pertinent to a Customer's credit. Any deposit required shall be confirmed in writing to the Customer not later than the time of the next billing. Such confirmation shall, in separate columns, itemize deposits for abnormal toll usage and regulated services and identify deposits for other services, and shall state that no deposit other than for toll and basic local services is required to obtain basic local service. A separate deposit may be required for local and toll services.

2.7.2 Amount of Deposit

The amount of the deposit shall not be more than two (2) months of usage of McLeodUSA's services for any specific Customer for a any service for which a deposit is required. The amount of such usage may be estimated from past usage, the Customer's estimated anticipated usage, or McLeodUSA's state average usage considering type and nature of service. The amount of deposit may exceed this total when services are provided for shorter periods of time or special occasions. In addition, McLeodUSA may impose separate deposits for different types of telecommunications services.

APPROVED FOR MING DECISION #: 62627

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McLeodUSA Telecommunications Services, Inc.

Tariff Arizona C.C. No. 2 Second Revised Page No. 27 Replaces First Revised Page No. 27

2.0 General Rules and Regulations (cont'd)

2.7 <u>Deposits</u> (cont'd)

2.7.3 New or Additional Deposit

A new or additional deposit may be required to cover the amount provided in Section 2.7.2 above when a deposit has been refunded or is found to be inadequate by virtue of abnormal toll usage, as defined in 2.7.3.A or nonpayment. Written notice shall be mailed advising the Customer of any new or additional deposit requirement, and the Customer shall have ten (10) calendar days from the date of mailing to comply. The new or

additional deposit is payable at the address specified in Section 2.7.4.

2.7.3.A Abnormal Toll Usage

For customers with at least six (6) consecutive months of service, "abnormal toll usage" is defined as at least a twenty-five percent (25%) increase in monthly usage charges amounting to at least twenty dollars (\$20). The Customer's average monthly bills for not less than the three (3) prior months shall be used in determining the increase. For customers with less than six (6) consecutive months of service, "abnormal toll usage" is defined to exist when one (1) month's service exceeds the deposit attributable to the service by twenty-five percent (25%) amounting to at least twenty dollars (\$20).

Issued: June 25, 2002 Effective: July 25, 2002

By: David R. Conn
Deputy General Counsel, McLeodUSA
6400 C Street SW
Cedar Rapids, IA 52404

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 First Revised Page No. 28
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2.0 General Rules and Regulations (cont'd)

2.7 Deposits (cont'd

2.7.4 Handling of Deposits

Deposits shall be sent or delivered to: McLeodUSA Telecommunications Services, Inc., McLeodUSA Technology Park, 6400 C Street SW, P. O. Box 3177, Cedar Rapids, Iowa 52406-3177. McLeodUSA will maintain records that show the name and address of each depositor, the amount and date of the deposit, and each transaction concerning the deposit. Interest paid on deposits will be paid at a rate determined by the Arizona Corporate Commission.

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2.7.5 Receipts

A receipt of deposit will be furnished to each Customer from whom a deposit is received. Upon request, duplicate receipts will be provided to Customers who have lost their receipts if the deposits are substantiated by McLeodUSA's records.

2.7.6 Customer Obligations

The existence of a deposit in no way relieves the Customer of the obligation to comply with McLeodUSA's regulations for the prompt payment of bills.

2.7.7 Refund

The deposit shall be refunded or credited to the Customer after not more than twelve (12) consecutive months of timely payments. If a customer does not make twelve timely payments, the deposit shall be retained until a subsequent review at the end of McLeodUSA's accounting year or on the anniversary date of the account.

Issued: June 25, 2002 Effective: July 25, 2002

By: David R. Conn
Deputy General Counsel, McLeodUSA
6400 C Street SW
Cedar Rapids, IA 52404

2.7 <u>Deposits</u> (cont'd)

2.7.4 Handling of Deposits

Deposits shall be sent or delivered to: McLeodUSA Telecommunications Services, Inc., McLeodUSA Technology Park, 6400 C Street SW, P. 0. Box 3177, Cedar Rapids, Iowa 52406-3 177. McLeodUSA will maintain records that show the name and address of each depositor, the amount and date of the deposit, and each transaction concerning the deposit. Simple interest of six percent (6%) shall be paid on deposits compounded annually from the date of the initial deposit to the date of refund or disconnection.

2.7.5 Receipts

A receipt of deposit will be furnished to each Customer from whom a deposit is received. Upon request, duplicate receipts will be provided to Customers who have lost their receipts if the deposits are substantiated by McLeodUSA's records.

2.7.6 Customer Obligations

The existence of a deposit in no way relieves the Customer of the obligation to comply with McLeodUSA's regulations for the prompt payment of bills.

2.7.7 Refund

The deposit shall be refunded or credited to the Customer after not more than twelve (12) consecutive months of timely payments. If a customer does not make twelve timely payments, the deposit shall be retained until a subsequent review at the end of McLeodUSA's accounting year or on the anniversary date of the account.

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Issued: May 26, 2000 Effective: June 25, 2000

By: William P. Heaston

McLeodUSA Telecommunications Services, Inc.
5 100 South McLeod Lane
Sioux Falls, SD 57108

2.8 Billing

2.8.1 Monthly Billing

Bills to Customers will be issued monthly unless Carrier is authorized by the Commission to bill at other than monthly intervals because of unusual circumstances. Toll charges are billed in arrears. Bills may be delivered to Customers using either United States Postal Service first class mail, or, if agreed to by Customer, electronically.

2.8.2 Bill

The bill form or a bill insert will provide the following information: the dates at the beginning and end of the billing period; the last date for timely payment, which shall not be less than thirty (30) days after the bill is rendered; the amount of the net charge, stated by category, for ancillary services and equipment, toll service, information service, sales tax and excise tax, and of any late payment charge, together with the gross amount of the bill, with separate entries for total amounts current or in arrears. Carrier will also comply with reasonable requests for bill detail.

2.9 Payment for Service

2.9.1 Late Penalty Charge

Carrier may impose a late payment charge not to exceed 1.5% on any bill not paid within thirty (30) days of receipt of the bill. Customer shall be responsible for all costs, including attorneys' fees, incurred in the collection of unpaid charges or in any other action to enforce payments and/or obligations arising under this tariff.

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DECISION #: 62627

2.9 <u>Payment for Service</u> (cont'd)

2.9.2 Partial Payment

If a Customer makes a partial payment in a timely manner and does not designate the service for which payment is made, the payment shall first be applied to the undisputed balance for local service, with the remainder applied on a <u>pro rata</u> basis to regulated utility services and toll service. Any remainder will then be applied to deregulated and unregulated services other than toll.

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2.9.3 Collection

No collection efforts other than the rendering of the bill shall be undertaken until the delinquency date.

2.9.4 Taxes and Fees

Any governmental assessments, fees, licenses, or other similar taxes or fees imposed upon Carrier on a per-call basis shall be charged to Customers receiving Carrier's service within the territorial limits of the governmental authority imposing such taxes and fees. Such taxes and fees will be allocated among such Customers uniformly on the basis of Customers' monthly charges for the types of service made subject to the taxes or fees. Such taxes and fees will be separately stated on bills.

Issued: June 25, 2002 Effective: July 25, 2002

By: David R. Conn
Deputy General Counsel, McLeodUSA
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Cedar Rapids, IA 52404

2.10 Disputes and Complaints

2.10.1 Disputed Bills

In the event of a dispute concerning the bill, Carrier will require the Customer to pay a sum of money equal to the amount of the undisputed portion of the bill. Following payment of the undisputed amount, efforts to resolve the complaint using the complaint procedures in Section 2.10.2 shall continue, and the service shall not be disconnected for nonpayment of the disputed amount during this time. Subject to regulatory requirements, Company's policy is to limit retroactive adjustments for billing errors to 90 days prior to the date the error is discovered. (D)(N)

2.10.2 Complaint Procedures

Inquiries, general questions, or complaints may be directed informally to Carrier by telephone, in person, or in writing at Carrier's office located at 6400 C Street, SW, Cedar Rapids, Iowa 52406. Business customers can reach Carrier's customer service department by dialing toll-free: 1-800-593-1 177. Residential customers can reach Carrier's customer service department by dialing toll-free: 1-800-500-3543. Carrier's customer service department accepts calls on a twenty-four-hour-a-day basis. Complaints concerning the charges, practices, facilities, or services of McLeodUSA will be investigated promptly and thoroughly. Carrier will keep records of each complaint showing the name and address of the complainant, the date and nature of the complaint, its disposition, and all other pertinent facts dealing with the complaint that will enable Carrier to review and analyze its procedures and actions. The records maintained by Carrier under this tariff will be available for inspection by the Commission or its staff upon request. Within thirty (30) days of the receipt of a written complaint,

Issued: February 22, 2002 Effective: March 28, 2002

> By: William P. Heaston

Associate General Counsel, McLeodUSA 5 100 South McLeod Lane Sioux Falls, SD 57108

McLeodUSA Telecommunications Services, Inc

Tariff Arizona C.C. No. 2

First Revised Page No. 31

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Replaces Original Page No. 31

2.0 General Rules and Regulations (cont'd)

2.10 <u>Disputes and Complaints</u> (cont'd)

(The language here has been deleted because it was a duplicate of Page No. 30.)

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2.10.2 Complaint Procedures (cont'd)

Carrier will provide written notice to the Customer of the status of the complaint. Each Customer may file with the Commission for resolution of disputes. Each complainant will be mailed a statement of the complainant's right to contact the Commission at:

Arizona Corporation Commission 1200 W. Washington Street Phoenix, Arizona 66604 (602) 542-4251

(The language on this page was moved from Page No. 32.)

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By: David R. Conn
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Tariff Arizona C.C. No. 2 First Revised Page No. 32

Replaces Original Page No. 32

2.0 General Rules and Regulations (cont'd)

2.10 <u>Disputes and Complaints</u> (cont'd)

(The language that was here has been moved to page 31.)

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2.10.3 Bill Insert or Notice

Carrier shall notify Customers, by bill insert or notice on the bill form, of the address and telephone number where a Carrier representative qualified to assist in resolving the complaint can be reached.

2.11 Service Refusal, Disconnection, and Suspension

2.11.1 Notice of Pending Disconnection

Prior to the disconnection of service, Carrier shall provide a written notice to the Customer setting forth the reason for disconnection and the final date by which the account is to be settled or specific action taken. The notice shall be considered rendered to the Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the notice shall be considered rendered when delivered to the last known address of the person responsible for payment for the service. The notice will specify (800) 593-6666 as a toll-free number at which a Carrier representative can be reached to provide additional information about the disconnection.

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By: David R. Conn
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2.11 Service Refusal. (cont'd)

2.11.2 Reasons Service Refusal, Disconnection, and Suspension

Service may be refused, disconnected, or suspended:

- (A) <u>Without</u> if a condition on the Customer's premises is determined by McLeodUSA to be hazardous.
- (B) <u>Without notice</u> if the Customer uses the service in such a manner as to adversely affect Carrier's equipment or Carrier's service to others.
- (C) <u>Without notice</u> if equipment furnished, leased, or owned by Carrier is subject to tampering.
- (D) Without notice if there is unauthorized use.
 Unauthorized use includes, without limitation, use or attempted use for an unlawful purpose and/or use or attempted use in any fraudulent manner.
- (E) If there are reasonable grounds to believe there is a violation of or noncompliance with Carrier's regulations on file with the Commission, municipal ordinances, or law.
- (F) If the Customer or prospective Customer fails to furnish service equipment, permits, certificates, or rights-of-way specified to be furnished in Carrier's regulations filed with the Commission as conditions for obtaining service, or withdraws such equipment or terminates those permissions or rights, or fails to fulfill the contractual obligations imposed upon the Customer as conditions of obtaining service.
- (G) If the Customer fails to permit Carrier reasonable access to its equipment.

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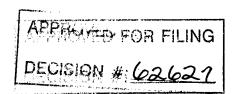
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2.11 Service Refusal, Disconnection, and Suspension (cont'd)

2.11.3 Refusal, Disconnection, and Suspension of Service far Nonpayment of Bill or Deposit

Except as restricted by Section 2.11.4, service may be refused, disconnected, or suspended for nonpayment of a bill or deposit if Carrier has made a reasonable attempt to effect collection and:

- (1) Carrier has provided the Customer with prior written notice with respect to an unpaid bill. However, disconnection may take place prior to the expiration of the notice period if Carrier determines from verifiable data that usage during that period is so abnormally high that a risk of irreparable revenue loss is created.
- (2) In the event of a dispute concerning the bill, Carrier will require the Customer to pay a sum of money equal to the amount of the undisputed portion of the bill. Following payment of the undisputed amount, efforts to resolve the complaint using the complaint procedures in Section 2.10.2 shall continue, and for not less than forty-five (45) days after the rendering of the disputed bill, the service shall not be disconnected for nonpayment of the disputed amount.



2.11 Service Refusal, Disconnection, and Suspension (cont'd)

2.11.4 <u>Insufficient Reasons for Refusal, Suspension, or Discontinuance</u> of Service

The following reasons are not sufficient cause for refusal, suspension, or discontinuance of local service to a present or prospective Customer:

- (1) Delinquency in payment for service by a previous occupant, other than a Customer of the same household, of the premises to be served.
- (2) Failure to pay for terminal equipment, new inside station wiring, or other merchandise purchased from Carrier.
- (3) Failure to pay for directory advertising charges or other unregulated charges.
- (4) Failure to pay for 900,960, or 976 calls disputed by the customer.
- (5) Failure to pay for non-local services.
- (6) Failure to pay disputed amounts.

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2.12 Cancellations and Deferments of Service

When a Customer cancels or defers an order for service before the service is activated, a charge applies that will allow Carrier to recover its unrecovered costs, including but not limited to outside vendor charges, engineering, labor, materials, and equipment. Charges apply as follows:

2.12.1 Cancellation

Issued: May 26, 2000

In a cancellation situation, the charge is equal to the unrecoverable costs incurred prior to the request for cancellation and the costs of removal, restoration, and disposal, if any, to comply with the cancellation. Those costs include, but are not limited to, costs of outside vendors, engineering, labor, nonrecoverable materials, and equipment expense.

2.12.2 Deferment of Start of Service

If a request for deferment of service is received by Carrier prior to the date an order for equipment or service is placed with Carrier's supplier, no charge shall apply. For deferments received by Carrier subsequent to the date the order for equipment or service is placed with Carrier's supplier, a monthly recurring charge based upon the costs incurred prior to the request for the deferment applies. This monthly rate shall be equal to the deferred investment multiplied by the monthly prime interest rate as announced by Firstar Bank of Cedar Rapids, N.A., plus recurring costs resulting directly from the deferral such as storage, taxes, etc. In addition, any extraordinary nonrecurring costs resulting from the deferral, such as additional engineering, labor, and transportation, shall be billed in total. Billing shall start at the beginning of the month of deferment and extend to the start of service. Charges shall not exceed the monthly rate that would have applied had the service been established. Carrier will also charge the Customer who defers service any and all rates and charges,

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By: William P. Heaston
McLeodUSA Telecommunications Services, Inc.
5 100 South McLeod Lane
Sioux Falls, SD 57108

Cancellations and Deferments of Service (cont'd) 2.12

2.12.2 <u>Deferment of Start of Service</u> (cont'd)

incurred by Carrier for any leased facilities for which Carrier is held responsible. Carrier will make a good faith effort to minimize those rates and charges whenever possible.

Information Service Access Blocking 2.13

Where facilities are available, Customers have the option to block access to all "900" and "976" prefix numbers, without charge for the first block. Carrier will comply with all applicable rules of the Commission concerning such blocking.

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APPROVED FOR FILING DECISION #: 62627

Effective: June 25, 2000 Issued: May 26, 2000

3.0 <u>Description of Services Offered</u>

3.1 Local Service

3.1.1 Nature of Service

Local Service is a telephone service that allows customers to originate non-toll local calls at locations within the service areas in which McLeodUSA has been approved for certification and terminate calls within the local calling area and EAS area of those locations, and within the LATA in which the call originates.

3.1.2 Availability

McLeodUSA offers this service in the service areas in which it has been certified by the Arizona Corporation Commission and in which McLeodUSA has available required network facilities or is able to lease required network facilities to enable the offering of local service.

3.1.3 Specific Local Service Options

The following services comprise Local Service:

3.1.3.A Local Line Service

Local Line Service will allow Customers to make local calls from the Customer's telephone station. In addition to the completion of local calls, the following features may be available.

3.1.3.A.1 Consultation Hold

The ability to hold a call in progress by depressing and releasing the switchook or flash button, dialing a third party in privacy, then returning to the original call within a predetermined armount of time. FOR FILING

DECISION #: 62627

3.0 Description of Services Offered

3.1 <u>J_ocal Service</u> (cont'd)

3.1.3 Specific T ocal Service Options (cont'd)

3.1.3.A.2 Call Transfer

The ability to forward a call in progress to another station.

3.1.3.A.3 Three-Way Calling

The ability to add a third line to an established conversation.

3.1.3.B Additional Options

The following optional services, which may be included in a package identified as the "McLeodUSA Feature Package," are available for an additional monthly charge:

3.1.3.B.1 Call Forwarding Busy/Don't Answer/Variable

Call forwarding is the ability to forward an incoming call to a preselected station if the called station is unable to receive the call. "Call forwarding busy" will forward the call if the called station is in use; "call forwarding don't answer" will forward the call after a predetermined number of rings; "call forwarding variable" will forward the call regardless of the status of the called station. This feature is not available from all central offices.

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- 3.0 <u>Description of Services Offered</u>
 - 3.1 <u>Local Service</u> (cont'd)
 - 3.1.3 Specific Local Service Options (cont'd)
 - 3.1.3.B Additional Options (cont'd)
 - 3.1.3.B.2 <u>Call Waiting</u>

Call waiting is the ability of the called station to generate a tone when the called station is in use to alert the user that another call is waiting to connect with the called station.

3.1.3.B.3 Hunting

Hunting is the ability to forward an incoming call to the next number in a hunting group if the called number is busy.

3.1.3.B.4 Speed Calling

Speed calling is the ability to place calls to a list of numbers by dialing a speed code.

3.1.3.B.5 Reserved for Future Use

(The language that was here was moved to package descriptions on page 59.1)

Issued: August 16, 2002 Effective: September 16, 2002

By: David R. Conn Deputy General Counsel, McLeodUSA 6400 C Street SW Cedar Rapids, IA 52404 **(K)**

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3.0 <u>Description of Services Offered</u> (cont'd)

3.1 <u>Local Service</u> (cont'd)

3.1.4 Local T1 Service

T1 Service provides a digital exchange service for PBX customers. T1 service includes a T1 facility, common equipment, local exchange switching and flat rate usage and measured resale trunks for access to the local exchange and toll networks. Each T1 facility utilizes 24 channels which may be configured as either basic or advanced trunks, as defined, or a combination of both types of trunks. Rates and charges include touch-tone.

3.15 Directories

3.1.5.A. Listing Service

A Business Customer is entitled to a one-line listing in the "white" and "yellow" sheets of the applicable local telephone directory. Residential customers are entitled to a one-line listing in the "white" sheets of the applicable local telephone directory.

3.1.5.B. <u>Directory Distribution</u>

One local exchange directory will be provided to a customer for each access line in service.

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3.0 <u>Description of Services</u> (cont'd)

3.2 Directory Assistance

3.2.1 Nature of Service

Directory Assistance (DA) Service is defined as furnishing aid in obtaining telephone numbers.

3.2.2 Availability

DA is available to all Customers.

3.2.3 Maximum Number of Requests Per Call

Two (2) requests for a telephone number will be accepted per call to the DA operator. A telephone number that is not listed in the DA records will not be available to the Customer.

3.2.4 Operator Limitations

The Directory Assistance operator will not transfer, forward or redial a Customer's call to any other location for any purpose other than provision of DA service.

3.2.5 Persons and Locations Exempt from DA Charges

3.2.5.A Locations From Which DA Calls May be Placed Without Charge

There shall be no DA charge for calls originating from hotels, motels, or hospitals.

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3.0 <u>Description of Services Offered</u> (cont'd)

3.2 <u>Directory Assistance</u> (cont'd)

3.2.5 Persons and Locations Exempt from DA Charges (cont'd)

3.2.5.B Persons Exempt From All DA Charges

Any Customer who is visually, physically or mentally handicapped in a way that makes the Customer unable to utilize a telephone directory shall be exempt from charges for DA. The Customer must provide McLeodUSA with certification of this condition. Certification from a doctor, psychologist, psychiatrist, county or state social service agency, or similar person or agency will be acceptable. The exemption is effective prospectively and also retroactively for the month prior to the presentation of the certificate to McLeodUSA.

3.3 Operator Services

Operator services are obtained by dialing "O", which will be answered by an operator. Calls placed dialing "00" will be answered by the operator of the designated long distance interexchange carrier. Charges for operator services provided by McLeodUSA's underlying local and long distance providers will be billed on a pass through basis on the customer's monthly billing statement from McLeodUSA.

Customers may receive bills directly from other operator service providers whose services the customer may use.

APPROVED FOR FILING

DECISION #: 62627

3.0 Description of Services Offered (cont'd)

3.4 Interexchange Conference Calling Service

Conference Calling is the ability to have multiple parties listen and participate in meetings via telephone. McLeodUSA has an agreement with a conference calling vendor to handle reservations and call processing for conference calls. All conference calling customers <u>must</u> have local and/or long distance services with McLeodUSA.

3.4.1 Standard

With each of the two following standard services, clients have two options:

- A) Attended Call: Facilitator monitors the conference call to add any assistance that may be needed.
- B) Unattended Call: No facilitator is present, but a facilitator is available at any time by pressing *0 on the phone.

3.4.1.A. <u>800 Meet Me Conferencing</u>

3-4 minutes prior to a scheduled conference, participants dial-in using a toll-free number. All long distance and conference bridging services are charged to the hosting organization.

3.4.1.B. Dial-Out Conferencing

Conference Center facilitators dial-out to all participants prior to the scheduled conference. The hosting organization is charged the long distance and conference bridging fees.

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DECISION #: 62627

3.5 Travel Calling Card Service

Travel Calling Card Service is designed for Customers who travel or make long distance calls away from their primary service location. Access to the service is gained by dialing a toll-free "800" number plus a seven or eleven digit access code plus the called number. In addition, McLeodUSA may pass through and bill Customer-initiated charges made to BOC calling card and other calling cards billed by local exchange carriers for Customers under the other carriers' names.

3.6 Long Distance Interexchange Services

3.6.1 Nature of Service

Carrier offers long distance interexchange telephone services that allow customers to originate and terminate calls at locations within the State of Arizona. Usage charges are generally based on the distance, duration, and time of day of each call, or may be based on monthly volume of usage.

3.6.2 Availability

Carrier offers long distance interexchange services in Arizona. These services are an add-on to interstate long-distance services provided by Carrier, and are available as provided in Carrier's interstate tariff.

Dialing Procedures 3.6.3

Long distance interexchange services may be accessed by dialing the digit "1", followed by the NPA/area code, then the desired 7-digit local telephone number. Customers may also need to employ 10XXX dialing, using an XXX code to be supplied by McLeodUSA, to direct intraLATA calls to Carrier. Those calls may otherwise be carried by another carrier.

APPROVED FOR FILING
DECISION #: 2227

3.0 <u>Description of Services Offered</u> (cont'd)

3.7 **800 Services**

3.7.1 Nature of Services

Carrier 800 services are inward WATS services that permit intrastate calls to a customer's station in one location from stations in diverse geographical locations, and for which the Carrier customer is billed for the calls rather than the call's originator. Unless otherwise specified, all Carrier 800 calls are subject to a 30-second average connect time (i.e., total monthly minutes of use divided by total monthly calls must equal at least 30 seconds) for a given terminating service group. All calls are rounded up to the next higher 6-second increment. In the event that 800 calls do not meet the 30-second average connect time requirement, billable usage will be increased by a surcharge equal to the necessary number of minutes at the average cost per minute to meet the 30-second requirement. In addition, Customers may also order Originating ANI Sorting, which provides the Customer with a detailed monthly analysis of the originating telephone numbers of those placing 800 calls.

3.7.1.A McLeod Standard 800 Service

McLeod Standard 800 Service provides Customers with an 800 number using the 1-800-XXX-XXXX format. When switching from their former 800 service provider to McLeod standard 800 service, Customers may retain their existing 800 number. If the Customer desires, the Customer may order area code blocking, which permits calls originating from area codes designated by the Customer to be blocked.

APPROVED FOR FILING

DECISION #: b2627

3.0 Description of Services Offered (cont'd)

3.7 <u>800 Services(cont'd)</u>

3.7.1 Nature (cont'd)

3.7.1.B McLeod 800 PIN Service

McLeod 800 PIN service allows Customers to track 800 number usage by requiring the calling party to enter a four digit PIN (personal identification number), upon cued instructions, at the close of the 1-800-XXX-XXXX dialing sequence. Operator assistance is provided for those calling from rotary telephones.

3.7.1.C McLeod Enhanced 800 Service

Message provides customers with a recording stating the toll free number has been disconnected and/or refers them to a new number

<u>Call Area Restriction Allowing</u> allows up to 10 states and/or LATAs at no charge. More than 10 will result in a charge to the customer.

<u>Call Area Restriction Blocking</u> allows customers to choose to block a broad range of items; from state wide or down to the <u>ANI</u> level. Any blocking results in a charge to the customer.

<u>Geographical Routing</u> allows a toll free number to terminate to up to 14 different numbers based on the originating are code of the call.

Time of Day/Day of Week Routing allows for routing to up to 4 different terminating numbers per day in 30 minute increments 7 days a week.

APPROVED FOR FILING

DECISION #: 62627

ORIGINAL Cancels First Revised Page No. 48 Description of Services Offered (cont'd)

- 3.0
 - **3.7** 800 Services(cont'd)
 - 3.7.1 Nature of Services (cont'd)

3.7.1 .C <u>Toll Free Enhancement</u> (cont'd)

AN1 Deliver-v allows the customer to have the caller's POTs line number delivered along with the calls on the customers toll free number.

3.8 Reserved for future use (D)

(D)

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> By: William P. Heaston

Associate General Counsel, McLeodUSA 5 100 South McLeod Lane Sioux Falls, SD 57108

3.0 <u>Description of Services Of</u>fered (cont'd)

3.7 <u>800 Services(cont'd)</u>

3.7.1 Nature of Services (cont'd)

3.7.1.C McLeod E n h a n c e d (cont'd)

<u>ANI Delivery</u> allows the customer to have their POTs line number delivered along with their call on a the customers toll free number.

3.8 Voice Mail

3.8.1 Basic Business Voice Mail

Business Voice Mail can answer incoming calls, placed to the customer's telephone line, when the called number is busy or if the called number is not answered. The service greet incoming caller with a personal or standard greeting. It then receives and saves the caller's messages for review by the customer. Customers can retrieve messages left for them from any tone signaling telephone.

3.8.2 Tree Host Mailbox

McLeodUSA "Tree" Mailboxes are separate mailboxes with an auto-attendant fronting the caller. McLeodUSA "Tree" Mailbox offers a one-for-one ratio of DID numbers to mailboxes, regardless of the number of mailboxes within the application. This allows for easier access to the subscriber's voice mailbox, as well as pager notification. McLeodUSA "Tree" Mailbox has the ability to forward and reply to messages within the customer's "Tree" configuration.

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DECISION #: 62627

McLeodUSA Telecommunications Services, Inc.

ORIGINAL

Tariff Arizona C.C. No. 2 First Revised Page No. 50 Cancels Original Page No. 50

3.0 <u>Description of Services Offered</u> (cont'd)

3.8 Reserved for future use

(D)

(D)

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William P. Heaston

By:

Associate General Counsel, McLeodUSA 5 100 South McLeod Lane Sioux Falls, SD 57108

Description of Services 3.0

3.9 Promotional Offerings

McLeodUSA may from time to time engage in special promotional service offerings designed to attract new customers or to increase existing customers' awareness of a particular tariff offering. These offerings may be limited to certain dates, times and/or locations.

In addition to tariffed promotional offerings, Carrier may, in conjunction with the Most Favored Customer clause in its Customer Service Agreement, offer individualized arrangements on a case-by-case basis where necessary to provide competitive prices, terms, or conditions of service. In such cases, the prices offered by Carrier shall not exceed the prices for similar services contained in this tariff.

3.10 Dedicated Long-Distance Service Plan 7-2000

These rates are available to customers signing a written agreement with McLeodUSA, and only for traffic carried over dedicated access services purchased from McLeodUSA. Rates under this plan will be billed with a six second initial period and six second additional increments. On a monthly basis, no more than 20% of the customer's traffic may originate or terminate at non-RBOC exchanges in order to qualify for these rates.

3.11 Prepaid Debit Card *

(T)

Customers may purchase a McLeodUSA prepaid debit card either directly from McLeodUSA or from a third party vendor which will permit the customer to dial into a McLeodUSA 800 number (identified on the back of the debit card), the called telephone number and a personal identification number ("PIN"). A prepaid debit card processing unit will determine whether the prepaid calling is valid, and, if so, the remaining minutes of use for the card. Upon verification that minutes of use remain, the prepaid debit card unit originates the second call to the called party, at which point conversation time begins. Customers are not entitled to refunds for unused minutes.

(T)

*Certain material found on this page has been moved from Page 55.

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4.0 Rates and Charges

ORIGINAL

4.1 <u>Nonrecurring Charges</u>

4.1.1 Early Termination Charges

If a Customer terminates service prior to the expiration of the term of the contract (see Section 2.5), the Customer will be required to pay the early termination charge in accordance with the Customer's contract for service.

4.1.2 Third Party Vendor Charges

Customers may also be charged for certain charges incurred by Carrier (at the Customer's instruction) in obtaining services from third party vendors. At the earliest opportunity, the Customer will be advised of the nature of the charges and the estimated amount of the charges.

4.1.3 Reconnect Fee

Reconnect Fee charge: \$50.00 for first two lines

This charge applies to reconnect service after dial tone has been suspended or service has been disconnected.

4.1.4 Non-sufficient Funds Charge (NSF Checks)

NSF check charge: \$20.00

This charge applies when a check has been returned by the bank for non-payment.

4.1.5 <u>Trouble Isolation Charge</u> (TIC)

(N)

A Trouble Isolation Charge applies when the Company dispatches either its own or ILEC personnel to a customer premises to test the line from the central office, up to the demarcation point, and the line tests clear (no trouble found in the Company facilities). No Trouble Isolation Charge shall apply if the customer subscribes to an inside wire maintenance plan with the Company.

Trouble Isolation Charge: Business Customers \$95.00

Residential Customers \$95.00 (N)

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Billing Copies

Rates and Charges (cont'd)

4.1.6

4.0

4.1

ORIGINAL Nonrecurring Charges (cont'd)

Additional and alternate bill copes will be available upon a customer's request. An additional bill copy is a secondary copy of te customer's initial bill and an alternate bill copy is an additional bill sent to a different address other than the billing address. Charges for the additional and alternate bill copes are below:

\$10.00/copy **Business Customers** Residential Customers \$5.00/copy

(N)

(N)

(N)

(N)

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By: David R. Conn Deputy General Counsel, McLeodUSA 6400 C Street SW Cedar Rapids, IA 52404

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4.2 Usage

4.2.1 Local Service

Local service is billed at flat monthly rates for calls within the local calling area. Rates for local line service are set forth in Rate Table 1 in Section 4.4.1. The monthly flat rate for local service will vary depending on the type of local service and the length of the term agreement.

4.2.2 Local T1 Service

Local T1 service is billed at flat monthly rates for calls within the local calling area. When Local T1 service becomes available, rates for local T1 service will be set forth in Rate Table 2 in Section 4.4.2. The monthly flat rate for local T1 service will vary depending on the type of local T-l service ordered and length of the term agreement.

4.2.3 <u>Directory Assistance</u>

Rates for DA calls are set forth in Rate Table 3 in Section 4.4.3. In the event that a DA operator is unable to provide the requested telephone number, the charges will still apply. Certain persons and locations are exempt from DA charges as provided in Section 3.2.5.

4.2.4 <u>Directory Listings</u>

Rates for special directory listing options are set forth in Rate Table 4 in Section 4.4.4.

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DECISION #:62627

4.2 <u>Usage Rates</u> (cont'd)

4.2.5 Long Distance Interexchange Services

4.2.5.A Chargeable Time

Except for person-to-person or collect calls, chargeable time begins when the connection is established between the calling station and the called station. For person to person calls, chargeable time begins when the connection to the specified called party is made. For collect calls, chargeable time begins when the called party accepts responsibility for the call charges. Chargeable time ends when either side of the connection is terminated. Chargeable time does not include time lost because of faults or defects in the service.

4.2.5.B Rates

Long distance rates are set forth in Rate Table 5 in Section 4.4.5.

4.2.6 800 Rates and Charges

4.2.6.A Monthly Charges

Customers are charged \$10 per month per 800 line. Customers ordering Area Code Blocking will be charged a one-time \$110.00 fee. Customers ordering Originating ANI Sorting will be charged a one-time \$25.00 fee.

4.2.6.B <u>Usage-Sensitive Rates</u>

All incoming calls are charged at the same rate regardless of point of origin. Day or peak rates are applicable from 8:00 a.m. to 5:00 p.m. Monday-Friday. Rates are set forth at Rate Table 6 in Section 4.4.6.

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4.0 Rates and Charges (cont'd) ORIGINAL

- 4.2 <u>Usage Rates</u> (cont'd)
 - 4.2.7 Travel Calling Card Services

Rates for Travel Calling Card Services are set forth in Rate Table 7 in Section 4.4.7.

4.2.8 Prepaid Debit Card*

(T)

McLeodUSA offers Prepaid Debit Cards to customers as set forth at Rate Table 8 in Section 4.4.8. (T)

4.2.9 Intercept Services

Rates for Intercept Services are set forth in Rate Table 1.

4.2.10 Wire Care/Inside Wire Installation and Repair Services

Rates for Wire Care and Inside wire installation and repair are set forth in Rate Table 10 in Section 4.4.10.

*Certain material found on this page has been moved to Page 5 1.

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- 4.0 Rates and Charges (cont'd)
 - 4.2 <u>Usage Rates</u> (cont'd)
 - 4.2.1 l-l 2 Reserved for Future Use
 - 4.2.13 <u>Residential Interexchange Service II</u>
 Rates for Residential Interexchange Service II are set forth in Section 7.0, Grandfathered Services/Rates on Page 100.
 - 4.2.14 McLeodUSA Residential Long Distance Service (N)
 Rates are set forth in Section 4.4.13, Rate Table 13. (N)
 - 4.3 Reserved for Future Use

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Tariff Arizona C.C. No. 2 2nd Revised Page No.57 Replaces First Revised Page No.57

4.0 Rates and Charges (cont' ORIGINAL 4.4 Rate Tables

4.4.1 Rate Table 1: McLeodUSA Advantage Business Local Line Rates (M)(N)

4.4.1 .A McLeodUSA Bundled Business Line Rates

Service	Mont to Mo Initial		18 Month Initial	h Max	36 Mo Initial	onth Max	60 Mo Initial	onth Max	
Flat Rate/line*	\$17.43	\$27.68	\$16.56	\$26.80	\$15.69	\$31.38	\$14.82	\$29.64	
Dial Tone Line	\$15.35	\$25.35	\$14.58	\$24.58	\$13.81	\$27.62	\$13.05	\$26.10	
Flat Rate with Dial Tone	\$32.78	\$43.03	\$31.14	\$41.38	\$29.50	\$40.72	\$27.87	\$39.73	
a .				La Carte		Line Rates			
Service	Month		18	•	36		60		
	to Mon		Montl		Moi		Mor		
	Initial	Max	Initial	Max	Initial	Max	Initial	Max	
Flat Rate/line*	\$17.43	\$27.68	\$16.99	\$33.98	\$16.56	\$33.12	\$16.12	\$32.24	
Dial Tone Line	\$15.35	\$25.35	\$14.97	\$29.94	\$14.58	\$29.16	\$14.20	\$28.40	
Flat Rate with Dial Tone	\$32.78	\$43.03 \$	3 1.96	\$63.92	\$3 1.14	\$62.28	\$30.32	\$60.64	
* Require	es a dial ton	e line							
Non-recurring ch Non-recurring ch Non-recurring ch	harge for cl	nanging cla	ass, type or	grade of	service of	once establis		\$56.00 \$27.50 \$27.50	(M)
PIC Charge - \$5	.OO applies	s to all PIC	C changes m	ade after j	point of sa	ıle.			
									(N)
Exchar	nts Rate Area nge Zone N nge Zone N		N/A \$1.00 \$2.00						
	_								(- \

(Certain material previously found on this page has been moved to Page 100)

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ORIGINAL

4.4 Rate Tables (cont'd)

4.4.1 Rate Table 1: Local Service Monthly Rates - Business Customers (cont'd)

Features	Non-recurring	Monthly Recurring	
		Initial Maximum	
Hunting, per line★◆	\$13.00	\$8.00 \$15.00	
Circular Hunt, per hunt group	\$13.00	\$3.00 \$10.00	
Preferential Hunt, per hunt group	\$13.00	\$1.00 \$8.00	
Call Transfer★◆	\$13.00	\$ 6.00 \$14.00	
Three-Way Calling★◆	\$13.00	\$ 4.00 \$12.00	
Call Forwarding			(T)
Variable★◆	\$13.00	\$ 4.80 \$12.80	(1)
No call completion	\$ 0	\$ 0	(70)
Don't Answer★◆	\$13.00	\$4.00 \$12.80	(T)
Don't Answer Expanded	\$13.00	\$4.00 \$12.80	
Don't Answer Programable	\$13.00	\$4.50 \$13.20	
*Remote Access to Call Forwa	arding \$13.00	\$7.75	
Call Forwarding Busy Line★◆			
Expanded	\$13.00	\$ 3.00 \$11.00	
External	\$13.00	\$ 3.00 \$11.00	
Overflow	\$13.00	\$ 8.00 \$16.00	
Programmable	\$13.00	\$ 8.00 \$16.00	
Call Forward Busy/ Don't Answer★◆	\$13.00	\$ 4.00 \$12.00	
Expanded	\$13.00	\$ 4.00 \$12.00	
External	\$13.00	\$ 5.50 \$13.50	
Overflow	\$13.00	\$11.50 \$19.50	
Programmable	\$13.00	\$ 4.50 \$12.50	
Busy Line/Don't Answer Expa	anded \$13.00	\$ 5.50 \$13.50	
Call Waiting★◆	\$13.00	\$ 7.50 \$15.50	
Call Rejection★◆	\$13.00	\$ 4.50 \$12.50	
Caller ID with Privacy Plus	\$13.00	\$10.95 \$18.95	
Caller ID Name and Number◆	\$13.00	\$ 7.95 \$15.95	
Caller ID Number◆	\$13.00	\$ 7.50 \$15.50	
Continuous Redial (monthly basis)★◆	\$13.00	\$ 3.50 \$10.50	
Hot Line	\$13.00	\$ 2.00 \$10.00	(T)
Last Call Return★◆	\$13.00	\$ 3.00 \$11.00	(1)
Priority Call	\$13.00	\$ 3.50 \$11.00	
No Solicitation	\$13.00	\$6.95 \$14.95	

^{*} Where available

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By: David R. Conn Deputy General Counsel, McLeodUSA 6400 C Street SW Cedar Rapids, IA 52404

ORIGINAL

4.0 Rates and Charges (cont'd)

4.4 Rate Tables (cont'd)

4.4.1 Rate Table 1: Local Service Monthly Rates - Business Customers

Features (cont'd)	Non-recurring	Monthly Recurring	
,	Initial Maximum		
Speed Call 8★◆	\$13.00	\$ 3.00 \$11.00	
Speed Call 30★◆	\$11.00	\$ 4.50 \$12.50	
Warm Line	\$11.00	\$ 2.50 \$10.50	
Last Call Return (Monthly Basis)★◆	\$ 0.00	\$0.00 \$8.00	
Continuous Redial blocking	\$0.00	\$0.00 \$8.00	
Caller ID Blocking	\$10.95	\$0.00 \$8.00	
Billed Number Screening	\$0.00	\$0.00 \$8.00	
Toll Restriction (per line or trunk)	\$27.50	\$5.00 \$13.00	
900 Service Access Restriction	\$0.00	\$0.00	
Blocking for 10XXX+/10XXX011+	\$11.00	\$0.10	
Split Number Referral			
Three Month	\$125.00		
Six Month	\$245.00		
Nine Month	\$365.00		
Twelve Month	\$490.00		
Call Screening ★◆			(T)
_			
Per Use Features	Initial	Maximum	
Call Trace (per activation)	\$2.00	\$10.00	
Continuous Redial (per use)	\$0.95/\$6.00 mo. max	\$1.50/\$12 mo. max.	
Last Call Return (per use)	\$0.95/\$6.00 mo. max	\$1.50/\$12 mo. max.	
Three-way Calling (per use)	\$0.95/\$6.00 mo. max	\$1.50/\$12 mo. max.	
Caller ID Blocking (per use)	\$0.00		
- -			

(Moved to package descriptions on page 59.1)

(K) (K)

Note: All Programmable features of Call Forward are not available in feature packages.

Applicable EAS (Extended Area Service) to the particular exchange, PICC, WTAP, TRS, E-911, and State USF fees, charges or assessments will also be applied.

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4.4 Rate Tables (cont'd)

4.4.1 Rate Table 1: Local Service Monthly Rates - Business Customers

Feature Packages (Business Customers)

(T)

Advantage Feature Package 2001A

If the following requirements are met, the customer is a "qualifying customer" for purposes of this feature package:

- a. The customer must have selected McLeodUSA as its presubscribed carrier for local, interLATA, intraLATA, and international services, and must enter into a 60-month agreement for these services on or after May 1, 2001; and
- b. The customer must purchase at least one data product (Web hosting, dial-up internet, or DSL) from McLeodUSA, at the same time the term agreement for voices services is entered into.

Qualifying customers who subscribe to Caller ID (Number Only) or Caller ID (Name and Number) service will receive a credit at least equal to the monthly price of the Caller ID option received, for each of the first three months of service. This offer is limited to areas where the local, long distance, Caller ID, and data services mentioned above are available.

3 for \$5 Customers enrolling with a 18, 36 or 60 month term will be able to select features marked with "★," which are available for 3 for \$5.00 in lieu of other feature discounts.	(T) (M) (M)
Feature Plus Package Features marked with a "◆" are part of the Feature Plus package available to customers that sign an 18 or 36 month contract. A customer may choose three of the marked features and receive them for free. The customer must be either a Local Only or a Full Service customer to be eligible for the Feature Plus Package.	(M) (M)

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ORIGINAL

4.0 Rates and Charges (cont'd)

(N)

4.4 Rate Tables (cont'd)

(N)

4.4.1 Rate Table 1: Local Service Monthly Rates - Business Customers (cont'd)

(N)

Feature Packages (Business Customers) (cont'd)

(N)

(N)

5 for \$7.50

Under this option, a customer may select up to 5 features at a monthly rate of \$7.50 per line. If a customer chooses to select only one feature on any line, and the a la cart feature price is less than \$7.50, then the a la carte price will apply. If more than 5 features are chosen, the a la carte prices will be charged for the additional features. No additional feature discounts will apply. Eligible features under the 5 for \$7.50 option are:

Call Forward Busy
Call Forward Don't Answer
Call Pickup
Call Waiting
Caller ID Number Only
Hunting
Speed Call 30

Call Forward Busy/Don't Answer
Call Forward Variable
Call Rejection
Caller ID Name & Number
Continuous Redial
Last Call Return
Speed Call 6

Note: Only one of the above feature packages can be added per line. In any feature package, if more than allowed features are chosen, the additional features will be charged at the ala carte rate.

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- 4.4 Rate Tables (cont'd)
 - 4.4.2 Rate Table 2: Local T1 Service Monthly Rates

(Reserved for Future Use)

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4.4 <u>Rate Tables</u> (cont'd)

4.4.3 Rate Table 3: Directory Assistance Rates

A business customer is allowed one direct-dialed DA call per month at no charge for each central office line or trunk.

101 Cach Commun 5 - 12	Initial	<u>Maximum</u>	
Direct dial call	\$1.11	\$1.11	(I)
	\$1.50	\$1.50	
Operator assisted call	\$0.15	\$0.15	
Each call from Public Access Lines	\$1.11	\$2.50	(I)
National Directory Assistance-direct dialed	J1.11	Ψ2.3 0	

4.4.4 Rate Table 4: Directory Listing Rates

In addition to the free directory listing, a business customer may order special directory listing services:

	Monthly Non-Recu		<u>Recurrin</u> Initial	<u>g</u> Max
Primary Listing Change Additional Listing Alpha Listings (each) Foreign listing (each) Nonlisted (each) Nonpublished Cross Reference Listing Temporary Listing Alternate Listing Reference Listing Client Main Listing Informational Listing	Initial \$ 22.00 \$ 22.00 \$ 22.00 \$ 22.00 \$ 22.00 \$ 22.00 \$ 22.00 \$ 22.00 \$ 22.00 \$ 22.00 \$ 22.00 \$ 22.00 \$ 22.00	Max \$66.00 \$66.00 \$66.00 \$66.00 \$66.00 \$66.00 \$66.00 \$66.00 \$66.00 \$66.00		
WATS Listing	\$ 22.00	\$66.00	\$ 3.00	\$6.00

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By: David R. Conn

Deputy General Counsel, McLeodUSA 6400 C Street SW Cedar Rapids, IA 52404 Effective: 1.73.03

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4.4 Rate Tables (cont'd)

4.4.5 Rate Table 5: Outbound Intrastate Long Distance Services

A.	Total Monthly Usage		Price/Mi	nute
	•		Min.	Max.
Arizona-IntraLATA,	intrastate	Ceiling	\$0.1190	\$0.250
		\$O-\$500	\$0.0750	\$0.230
		\$500-\$1500	\$0.0690	\$0.220
		\$1500+	\$0.0650	\$0.210
Arizona-InterLATA,	intrastate	Ceiling	\$0.1190	\$0.250
		\$O-\$500	\$0.0790	\$0.250
		\$500-\$1500	\$0.0750	\$0.230
		\$1500+	\$0.0690	\$0.220

4.4.6 Rate Table 6: 800 Services

A. Monthly Charges

Customers are charged \$10 per month per 800 line (\$20 maximum), Customers ordering Area Code Blocking will be charged a one-time \$110.00 fee (\$150 maximum).

В.	Total Monthly Usage	Price/M	inute
	, ,	Min.	Max.
	\$O-\$500	\$0.1199	\$0.25
	\$500.01-\$1,500	\$0.0850	\$0.23
	\$1,500+	\$0.0790	\$0.22

All incoming calls are charged at the same rate regardless of point of origin.

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DECISION #: 62627

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ORIGINAL ORIGINAL

4.0 Rates and Charges (cont'd)

4.4 Rate Tables (cont'd)

4.4.7	Rate	Table	7:	Travel	Calling	Card	Service	

_	Total Monthly Usage		Minute
<u>A.</u>	Total Wolling Usage	Min.	Max.
	\$0-\$500 \$500.01-\$1,500 \$1,500+	\$0.23 \$0.21 \$0.19	\$0.35 \$0.33 \$0.32
<u>B.</u>	Surcharge Per Call Minimum \$0.80	<u>Maximum</u> \$1.10	

4.4.8 Rate Table 8: Prepaid Debit Cards

(T)

Wholesale prepaid debit card rates apply to sales of card to (D)(N) distributors, who will in turn resell the cards (either directly or indirectly) to end user customers. Retail prepaid debit card rates apply to sales of card to distributors who will directly distribute the cards to end user customers without charge.

In addition to the rates listed below, there is an additional fee of \$0.10 per calling card, plus \$0.03 per card with a "scratch off' PIN concealment feature. The standard payphone surcharge applies to all prepaid debit card calls placed from pay telephones.

4.4.8.A Connection Fee Products 4.4.8.A.1 Wholesale

(N)

\$0.0990 Per Minute, \$0.49 Connection Fee				
Monthly Volume	Card Denomination	Customer Charge		
\$5,000 to \$24,999.99	\$ 5.00 \$10.00 \$20.00	\$ 2.60 \$ 5.20 \$10.40		
\$25,000 to \$99,999.99	\$ 5.00 \$10.00 \$20.00	\$ 2.40 \$ 4.80 \$ 9.60		
\$1000,000 Plus	\$ 5.00 \$10.00 \$20.00	\$ 2.25 \$ 4.50 \$ 9.00		

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(N)

4.0 Rates and Charges (cont'd)

ORIGINAL

4.4 Rate Tables (cont'd)

4.4.8 Rate Table 8: Prepaid Debit Cards (cont'd)

4.4.8.A. 1 Wholesale (cont'd)

\$0.0590 Per Minute, \$0.59 Connection Fee				
Monthly Volume	<u>Card</u> <u>Denomination</u>	Customer Charge		
\$5,000 to \$24,999.99	\$ 5.00 \$10.00 \$20.00	\$ 3.10 \$ 6.20 \$12.40		
\$25,000 to \$99,999.99	\$ 5.00 \$10.00 \$20.00	\$ 2.90 \$ 5.80 \$11.60		
\$1000,000 Plus	\$ 5.00 \$10.00 \$20.00	\$ 2.75 \$ 5.50 \$11.00		

\$0.0390 Per Minute,	\$0.69 Connection Fee	
Monthly Volume	Card Denomination	Customer Charge
\$5,000 to \$24,999.99	\$ 500 \$10.00 \$20.00	\$ 335 \$6.70 \$13.40
\$25.000 to \$99.999.99	\$ 500 \$10.00 \$_2.0	\$ 3 15 \$ 6 \$12.60
<u>\$1000,000 Plus</u>	\$ 5.00 \$10.00 \$20.00	\$ 300 \$6 \$12.00

(N)

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ORIGINAL

4.4 Rate Tables (cont'd)

Rat8 Table 8: Prepaid Debit Cards (cont'd)

4.4.8.A.2 <u>Retail</u> (N)

\$0.0990 Per Minute, \$0.49 Connection Fee			
Monthly Volume	Card Denomination	Customer Charge	
\$5.000 to \$2,499.99	\$ 5.00 \$10.00 \$2.50	\$ 2.90 \$ 5.80 \$11.60	
\$2,500 to \$9.999.99	\$ <u>5.00</u> \$10.00 \$ <u>-2.0</u>	\$ 270 \$ 25 \$10.80	
\$10,000 Plus	\$ 5.00 \$10.00 \$-2.0	\$ 250 \$5.00 \$10.00	

\$0.0590 Per Minute, \$0.59 Connection Fee			
Monthly Volume	Card Denomination	Customer Charge	
\$100 to \$2,499.99	\$ 5.00 \$10.00 \$_2.0	\$ 335 \$ 6 \$.J. 3	
\$2,500 to \$9,999.99	<u>७</u> आ	<u>\$. 1 5</u> ₩	
\$10,000 Plus	\$ 5.00 \$10.00 \$20.00	\$ 3.00 6 . 0 0 \$12.00	

(N)

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4.0 Rates and Charges (cont'dl 4.4 Rate Tables (cont'dl

ORIGINAL

Rate Table 8: Prepaid Debit Cards (cont'd)

4.4.8.A Retail (cont'd)

(N)

\$0.0390 Per Minute. \$0.69 Connection Fee			
Monthly Volume	Card Denomination	Customer Charge	
\$100 to \$2,499.99	\$ 500 \$10.00 \$_2.0	\$. 6 0 \$ 720 \$. 1 . 4	
\$2,500 to \$9,999.99	\$ 5.00 \$10.00 \$20.00	\$ 345 \$ 6 <u>\$.J3</u>	
\$10.000 Plus	\$ 500 \$10.00 \$_2.0	\$ 3.25 \$ 650 \$13.00	

4.4.8.B Flat Rate Products

The below products do not have a connection fee and all calls will be billed in full minute increments.

4.4.8.B. 1 <u>Wholesale</u>

0 Per Minute	
<u>Card</u>	Customer
<u>Denomination</u>	Charge
\$. 0 0	\$ 2.60
\$10 00	\$ 520
\$_2.0	\$10.40
\$. 0 0	\$ 240
\$10 00	\$4
\$_2,0	\$ 9.60
\$ 500	\$ 225
\$10.00	\$4
\$_2.0	\$ 9.00
	Card Denomination \$\sum_{.00} 0 \$10 00 \$\frac{\sum_{.20}}{\sum_{.00}} \$\frac{\sum_{.00}}{\sum_{.00}} \$\frac{\sum_{.20}}{\sum_{.00}} \$\frac{\sum_{.00}}{\sum_{.00}} \$\frac{\sum_{.00}}{\sum_{.00}} \$\frac{\sum_{.00}}{\sum_{.00}} \$\frac{\sum_{.00}}{\sum_{.00}} \$\frac{\sum_{.00}}{\sum_{.00}}

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4.0 Rates and Charges (cont'd)

ORIGINAL

4.4.8 Rate Table 8: Prenaid Debit Card (cont'd)

4.4.8.B Flat Rate Products (cont'd)

4.4.8.B.1 Wholesale (cont'd)

(N)

<u>\$0.1290 Per Minute</u>			
Monthly Volume	Card Denomination	Customer Charge_	
\$5.000 to \$24,999.99	\$ 500 10.00 \$2000	\$ 310 \$ 6 <u>\$.1?</u>	
\$25,000 to \$99.999.99	\$ 5.00 \$10.00 \$_2.0	\$ 290 \$ 5.80 \$11.60	
\$100,000 Plus	\$ 500 \$10.00 \$20.00	\$ 2.75 \$ 5.50 \$11.00	

\$0.0990 Per Minute			
Monthly Volume	Card Denomination	Customer Charge	
\$5,000 to \$24,999.99	\$ 500 \$10.00 \$20.00	\$. 35 \$. 70 \$1340	
\$25.000 to \$99.999.99	\$ 500 \$10.00 \$20.00	\$ 2.15 \$ 6.30 \$12.60	
\$100.000 Plus	\$.00 \$10.00 \$20.00	\$ 300 \$6 <u>\$12.00</u>	

(N)

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4.0 Rates and Charges (cont'd)

4.4.8 Rate Table 8: Prepaid Debit Card (cont'd)

4.4.8 B Flat Rate Products (cont'd)

4.4.8.B. 2 Retail

(N)

\$0.1500 Per Minute			
Monthly Volume	Card Denomination	Customer Charge	
\$100 to \$2,499.99	\$ 5.00 \$10.00 \$_2.0	\$ 2.90 \$ 5.80 \$.11	
\$2,500 to \$9,999.99	\$ 500 \$10.00 \$20.00	\$ 2.70 \$ 5.40 \$10.80	
<u>\$10.000 Plus</u>	\$ 500 \$10.00 \$23.0	\$ 2.50 \$ 5.00 \$10.00	

\$0.1290 Per Minute			
Monthly Volume	<u>Card</u> <u>Denomination</u>	Customer Charge	
\$100 to \$2,499.99	\$ 5.00 \$10.00 \$20.00	\$ 335 \$ 6 \$13.40	
\$2,500 to \$9.999.99	\$ 5.00 \$10.00 \$20.00	\$ 3.15 \$ 6.30 \$12.60	
\$10,000 Plus	\$ 5.00 \$10.00 \$20.00	\$ 3.00 \$ 6.00 \$12.00	
N			

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4.0 <u>Rates and Charges (cont'd)</u>

ORIGINAL

4.4.8 Rate Table 8: Prepaid Debit Card (cont'd)

4.4.8.B Flat Rate Products (cont'd)

4.4.8.B.2 Retail (cont'd)

(N)

\$0.0990 Per Minute			
Monthly Volume	Card Denomination	Customer Charge	
\$100 to \$2,499.99	\$ 5.00 \$10.00 \$2.0	\$ 360 \$ 7 <u>\$. 14</u>	
\$2,500 to \$9,999.99	\$ 500 \$10.00 \$20.00	\$ 345 <u>\$ 6</u> <u>\$13.80</u>	
\$10,000 Plus	\$ 500 \$10.00 \$20.00	\$ 325 \$ 6 <u>\$13.00</u>	

4.4.8.C On-Account Debit Card

Monthly \$ Volume	Originating	Terminating	Round Trip
\$10,000-\$49,999.99	\$0.0410	\$0.0380	\$0.0790
\$50,000-\$99,999.99	\$0.0390	\$0.0360	\$0.0750
\$100,000-above	\$0.0360	\$0.0330	\$0.0690

(N)

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4.0 Rates and Charges (cont'd)

ORIGINAL

4.4.8 Rate Table 8: Prepaid Debit Card (cont'd)

4.4.8.D Promotional Debit Card

(N)

Prices are for U.S. domestic minutes only (excluding Alaska and Hawaii). Card pricing for cards that include International Termination will be quoted upon request.

4.4.8.D.1 Standard/Custom Card Minute Pricing

Total Minutes Per Order	10 Minutes	15 Minutes	30 Minutes	60 Minutes
100-10,000	\$0.1000	\$0.1000	\$0.1100	\$0.1200
10,001-99,999	\$0.0850	\$0.0900	\$\$0.1000	\$0.1100
100,000-499,999	\$0.0800	\$0.0850	\$0.0950	\$0.1000
500,000-999,999	\$0.0750	\$0.0800	\$0.0900	\$0.0950
1,000,000-2,499,999	\$0.700	\$0.0750	\$0.0850	\$0.0850
2,500,000	\$0.650	\$0.0700	\$0.0800	\$0.0800

4.4.8.D.2 <u>Custom Card Production Pricing</u>

This pricing has a minimum card order of 1,000. Customer card design is \$85.00 per hour per card design. The card set-up fee will be based on graphics and quantity ordered. Fees will be waived for a 30 second customer greeting but additional 30 seconds will cost \$0.20 per card.

Number of Cards 1,000-5,000 Price Per Card Case by Case Basis (N)

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ORIGINAL (cont'd)

4.0 Rates and Charges (cont'd)

4.4.9 Rate Table 9: McLeodUSA Advantage Conference Calling Service

A) <u>Standard Rates</u>

These rates are per minute, per leg. The below A La Carte rates are available to customers that have only McLeodUSA long distance service. The Bundled rates are available to customers that have McLeodUSA local and long distance service.

(T)

Bundled Rates (N)

<u>Ceiling Rate</u> <u>Mo.-Mo.</u> <u>18, 36 or 60 Mb.</u> (D)(T)\$0.4000 \$0.4000 \$0.3600 (R)

A La Carte Rates (N)

<u>Ceiling Rate</u> <u>Mo.-Mo.</u> <u>18.36 or 60 Mo.</u>

(D)(T)\$0.4000 \$0.4000 \$0.3900

The following services are included in the above standard rate:

Blast Dial Roll Call

Invitation Services Sub-conferencing
Broadcast Lecture Mode Originator Dial-Out

B) Additional Services

The following additional services are at the standard rate plus the following additional charges:

Service Price

Digital Rebroadcast \$0.40/minute

Polling \$0.35 per minute, per leg Electronic Q&A \$0.20 per minute, per port

Participant Notification \$2.00 per person

Call Taping \$20.00 per tape
Transcription \$125.00 per hour

4.4.10 Rate Table 10: Wire Care for Business Customers

Wire Care \$4.00/month

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4.0 <u>Rates and Charges (cont'd)</u>

4.4 Rate Tables (cont'd)

4.4.11 Rate Table 11: McLeodUSA Advantage Business Long Distance Line Rates (T)
This service is available to all new customers as of the effective date of
this tariff. Existing customers will stay on their current service until
time of renewal.

A) Switched: Outbound and Toll Free Intrastate

The rate is the rate per minute. All calls will be rounded and billed in 6- second increments.

Ceiling Rate \$0.1190

B) <u>Dedicated: Outbound and Toll Free Intrastate</u>

This pricing is for Dynamic, Long Distance T-l and Local T-l. This rate is the rate per minute. All calls will be rounded and billed in 6-second increments.

Ceiling Rate \$0.1190

C) <u>Calling Cards</u>

This below rate is the rate per minute. All calls will be rounded and (T) billed in 6-second increments. The below A La Carte rates are available to customers that have only McLeodUSA long distance service. The Bundled rates are available to customers that have McLeodUSA local and long distance service. (T)

A La Carte Rat	es				(N)
Ceiling Rate	Mo-Mo	<u> 18Mo.</u>	$36M_{\Omega}$.	<u>60 Mo.</u>	
\$0.3000	\$0.2200	\$0.2000	\$0.1900	\$0.1800	
Bundled Rates					(N)
Ceiling Rate	Mo-Mo	<u> 18Mo.</u>	<u>36 M</u> o	M 0 o .	
\$0.3000	\$0.2200	\$0.1900	\$0.1800 \$	0.1700	(N)

Payphone Surcharge

<u>Calling Cards</u> • When a customer places a calling card call from a payphone, the customer will be assessed a per call surcharge of \$0.30. <u>Toll Free Numbers</u> • If a customer has a Toll Free number and people calling the Toll Free number are using a pay-phone, the customer will be assessed a per call surcharge of \$0.30 for those calls.

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Calling Card Surcharge

Toll Free Service Surcharge

(M)(N)

4.0 Rates and Charges (cont'd)

4.4 Rate Tables (cont'd)

4.4.13 Rate Table 13: McLeodUSA Residential Long Distance Service

This plan is available to new residential customers. All calls will be billed using a one minute minimum initial period with one minute minimum additional increments. Contract term lengths are available in 18, 36 or 60 month intervals upon request.

Outbound Intrastate Rate	\$0.1100	
Toll Free Rate	\$0.220	
Calling Card Charge	\$0.25	
Surcharges		

\$0.35 \$1.00 (M)(N)

Material on this page has been moved to Section 7.0 on Page 100

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4.0 Rates and Charges (cont'd)

4.4 Rate Tables (cont'd)

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4.0 <u>Rates and Charges (cont'd)</u>

4.4 Rate Tables (cont'd)

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Rates and Charges (cont'd) 4.0

4.4 Rate Tables (cont'd)

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4.0 Rates and Charges (cont'd)

4.4 Rate Tables (cont'd)

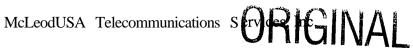
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Rates and Charges (cont'd) 4.0

4.4 Rate Tables (cont'd)

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4.0 Rates and Charges (cont'd).

4.4 Rate Tables (cont'd)

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4.4.15 Rate Table 15: Dedicated Long-Distance Service Plan 7-2000

These rates are available to customers signing a written agreement with McLeodUSA, and only for traffic carried over dedicated access services purchased from McLeodUSA. Rates under this plan will be billed with a six second initial period and six second additional increments. On a monthly basis, no more than 20% of the customer's traffic may originate or terminate at non-RBOC exchanges in order to qualify for these rates.

Inbound and

Outbound Traffic Month to Month 18 Months 36 or 60 Months \$0.0590 \$0.0590 \$0.0590

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4.0 Rates and Chargs (cont'd)

ORIGINAL

4.4 Rate Tables (cont'd)

4.4.16 Rate Table 16: Operator Services to Payphones

The following rates are offered for use by pay telephone providers who have entered into an agreement with McLeodUSA to provide operator services to their pay telephones. In addition to the rates below, where allowed, surcharges imposed by pay telephone location providers will be passed through to users of pay telephone service. There is a 5 minute minimum billing regarding these rates.

Per Minute
\$.030
\$0.60
\$2.30
\$2.30
\$2.30
\$4.50
\$1.50

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5.0 Service Area

McLeodUSA's service area in Arizona is coextensive with the local exchange areas served by the following central offices of U S West Communications, Inc.

CITY	CLLI	CONAME	
PHOENIX	DRWAZNODSO	DEER VALLEY NORTH	
FLAGSTAFF	FLGSAZMADS0	FLAGSTAFF MAIN	
PARADISE VALLEY	PRVYAZPPDS0	PINNACLE PEAK	
SCOTTSDALE	SCDLAZMADS0	SCOTTSDALE MAIN	
SCOTTSDALE	SCDLAZSHDS0	SHEA	
SCOTTSDALE	SCDLAZTHDS0	THUNDERBIRD	
PHOENIX	PHNXAZCADSO	PHOENIX-CACTUS	
PHOENIX	PHNXAZEADSO	PHOENIX-EAST	
PHOENIX	PHNXAZEARS1	PHOENIX-EAST-ISDN	
PHOENIX	PHNXAZGRDSO	PHOENIX-GREENWAY	
PHOENIX	PHNXAZLVDS0	PHOENIX-LAVEEN	
PHOENIX	PHNXAZMADS1	PHOENIX-MAIN	
PHOENIX	PHNXAZMADS4	PHOENIX-MAIN	
PHOENIX	PHNXAZMRCGO	PHOENIX-MID RIVERS	
PHOENIX	PHNXAZMRRS1	PHNX-MID RIVERS ISDN	

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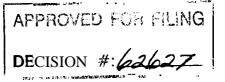
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I BUOSINIA	DUNIVA ZNEDOG	BUOENIN
PHOENIX	PHNXAZNEDSO	PHOENIX- NORTHEAST
PHOENIX	PHNXAZNODS1	PHOENIX-NORTH
PHOENIX	PHNXAZNODS3	PHOENIX-NORTH
	DUBLIVA ZNIM DOG	PHOENIN
PHOENIX	PHNXAZNWDSO	PHOENIX- NORTHWEST
PHOENIX	PHNXAZNWRS1	PHOENIX NW (ISDN)
PHOENIX	PHNXAZPPDSO	PHOENIX-PECOS
PHOENIX	PHNXAZPRCG0	PHOENIX-PEORIA
PHOENIX	PHNXAZPRDS0	PHNX PEORIA CAP
PHOENIX	PHNXAZSECG0	FHOENIX-SOUTHEAST
PHOENIX	PHNXAZSEDSO	PHNX SOUTHEAST
PHOENIX	PHNXAZSOCG0	PHOENIX-SOUTH
PHOENIX	PHNXAZSYDSO	PHOENIX- SUNNYSLOPE
PHOENIX	PHNXAZSYRS1	PHNX-SUNNYSLOPE RS1
PHOENIX	PHNXAZWECGO	PHOENIX-WEST
PHOENIX	PHNXAZWEDSO	PHOENIX WEST CAP
PHOENIX	PHNXAZWERS1	PHOENIX-WEST (ISDN)
TEMPE	TEMPAZMADSO	TEMPE MAIN
		·
TEMPE	TEMPAZMCCGO	MCCLINTOCK
TEMPE	TEMPAZMCDSO	MCCLINTOCK
MESA	MESAAZGIDS0	GILBERT
MESA	MESAAZMADSO	MESA
SUPERSTITION	SPRSAZWEDSO	SUPERSTITION WEST
TUCSON	TCSNAZCRCGO	CRAYCROFT
TUCSON	TCSNAZCRDSO	TCSN CRAYCROFT FUT CAP

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TUCSON	TCSNAZNODSO	TUCSON NORTH-IA CAP
TUCSON	TCSNAZRNCGO	RINCON
TUCSON	TCSNAZRNRS1	RINCON RS1
TUCSON	TCSNAZSOCG0	TUCSON SOUTH
TUCSON	TCSNAZSODS0	TCSN SOUTH CAP
SIERRA VISTA	SRVSAZMADS0	SIERRA VISTA MAIN
CHANDLER	CHNDAZMADS0	CHANDLER MAIN
CHANDLER	CHNDAZWEDS0	CHANDLER WEST
CASA GRANDE	CSGRAZMADS0	CASA GRANDE
YUMA	YUMAAZMADS0	YUMA
YUMA	YUMAAZSEDS0	YUMA SOUTHEAST
GLENDALE	GLDLAZMACG0	GLENDALE MAIN
GLENDALE	GLDLAZMARS1	GLENDALE MAIN RS1
PRESCOTT	PRSCAZMADS0	PRESCOTT MAIN
TUCSON	TCSNAZMLRS2	MOUNT LEMMON
TUCSON	TCSNAZSERS3	<u>SOUTHEAST</u>
TUCSON	TCSNAZSWDSO	SOUTHWEST
TUCSON	TCSNAZTVDSO	TANQUE VERDE
	TCSNAZWERS1	WEST

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7.0 Grandfathered Services/Rates ORGINAL

7.1 Residential Interexchange Service II

These rates apply to jurisdictional calls made by subscribers to Residential Interexchange Service II in conjunction with Rate Table 13 in McLeodUSA's interstate f f.

Outbound Interexchanae Service

Total Usage	Rate/Minute		
	<u>Minimum</u>	<u>Maximum</u>	
<u>\$0 - \$24.99</u>	\$0.1650	\$0.2500	
\$25.00 - \$49.99	<u>\$0.1485</u>	\$0.2250	
\$50.00 +	\$0.1320	\$0.2000	

Inbound Interexchange Service

	<u>Minimum</u>	<u>Maximum</u>
Per Minute	\$0.2200	\$0.2500

7.2 <u>Local Service Line Rates - Business Customers -</u> as previously set forth in Rate Table 1 (M) (Current customers only as of the filing of this tariff)

Service	<u>NRC</u>	Mo to Mo	<u>18Mo</u>	<u>36 Mo</u>	<u>60 Mo</u>
Flat Rate/line*	\$56.00	\$17.43	\$16.65	\$16.21	\$15.69
Dial Tone Line	\$ 0.00	\$15.35	\$14.58	\$14.27	\$13.81
Flat Rate with Dial Tone/line	\$56.00	\$32.78	\$31.14	\$30.48	\$29.50

* Requires a dial tone line

Non-recurring charge for Flat Rate, Additional Line and Flat Rate Line with Dial Tone:	<u>\$56.00</u>
Non-recurring charge for changing type or grade of service once established:	\$27.50
Non-recurring charge for changing class of service once established:	<u>\$27.50</u>
Nonrecurring charge for changing name of responsible party after initial service install	\$ 8.50

Zone Increments

Base Rate Area	<u>N/A</u>	
Exchange Zone No. 1	\$100	
Exchange Zone No. 2	<u>\$2</u>	(M)

(Certain information on this page has been moved from page 56)

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